

CEMETERIES BOARD OF TRUSTEES
CITY OF FORT LAUDERDALE
City Hall 8th Floor Conference Room
Thursday, May 10, 2007
3:30 p.m.

<u>Board Member</u>	<u>Attendance</u>	Cumulative 2007	
		<u>Present</u>	<u>Absent</u>
Alfred Calloway	P	1	0
Victoria Mowrey, Vice Chair	P	3	0
Ann Platt	P	3	0
Jose Portela	P	3	0
Larry Sherman	P	3	0
Mark Van Rees, Chair	A	2	1

Also Present

Julius Delisio, Cemetery Board Liaison
Jamie Opperee, Recording Secretary
Lisa Slagle, City of Fort Lauderdale
Jeff Moderelli, Director, Fort Lauderdale Business Enterprises
Trevor Jackson, Carriage Services
John Moritz, Carriage Services
Joe Giordano, Carriage Services
Johnny Miller, Bank of America
Penelope Smith, Bank of America

The meeting was called to order by Vice Chair Mowrey at 3:34 pm.

1. Minutes Approval

A. Meeting of 3/8/2007

Motion made by Mr. Portela, seconded by Ms. Platt, to approve the minutes of the March 2007 meeting. In a voice vote, the motion passed unanimously.

2. Old Business

A. Contract Renewal Carriage Services (Discussion/Motion)

Mr. Delisio explained they had started this in 2005. He said they had completed all of the capital improvements they wanted. Mr. Delisio said the dispute with Carriage had arisen from the Accounts Receivable, and this was resolved to the

point that Carriage accepted the City's position. Mr. Delisio said Carriage had agreed to everything all the requests of the Board and City.

Mr. Delisio stated two things would change from the terms portion: if the contract was approved by October 1, the annual management fee paid to the City General Fund would change from \$511,000 to \$525,000, and the \$3 million cash threshold would increase by \$500,000.

Mr. Delisio said Carriage had agreed to create a master plan as part of the 6-year capital improvement plan. They would proceed with this as soon as the contract was approved.

Mr. Delisio explained that the first item under Evergreen for \$35,000 was originally designated for our tree removal and restoration project, but this had been reworded to allow this money to be used for landscaping or some other use.

Mr. Delisio said they had also gotten everything they requested for Lauderdale Memorial.

Mr. Delisio said one of the commissioners had expressed concern about the entryways, and Mr. Delisio agreed, this was added to the capital plan at both Sunset Memorial and Lauderdale Memorial.

Mr. Delisio stated they would buy a portable generator that could be moved to whatever facility needed it.

Mr. Delisio said the next step was to discuss the contract agreement with the individual Commissioners and the Mayor.

Mr. Delisio noted that any expenditures with matching dollars from the trust would come back to the Board for their approval and then the City Commission. He explained that items were approved individually because the trust fund did not have a budget. However, if we are able to determine from the Capital plan outlined, we would be able to budget funds on an annual basis.

Mr. Delisio hoped this would be presented to the Commission by their second meeting in July.

Motion made by Mr. Calloway, seconded by Mr. Sherman, to accept the Carriage Services contract renewal. Board unanimously approved.

B. Board's letter of rebuttal regarding Lauderdale Harbors Improvement Association letter to the City Commission

Ms. Platt asked about the property line question. Mr. Delisio said he had asked the Assistant City Attorney about the property lines on the east side of the cemetery and how the land that did not belong to the cemetery would be treated. The information was sent to the city surveyor, who had been out but would return today. The Assistant City Attorney had informed Mr. Delisio that trust fund money could not be spent for work done off of the cemetery property. Mr. Delisio had asked a McLaughlin engineer about this, and he believed the property line was the lake line, but said there must be something in the record when the property was deeded to the City.

Ms. Platt said she had visited the property, and seen that there were only four Australian pines on cemetery property; all of the others were over the cliff edge. She felt they should top off the four on cemetery property in preparation for hurricane season.

Ms. Mowrey noted the good that had come from this discussion, as it had revealed some issues of which they had been unaware regarding who should be responsible for what property.

Ms. Platt said she wanted the City to contact the Army Corps of Engineers regarding the wetlands designation. Mr. Delisio said the City's environmental engineer informed him that it only met one of the criteria for wetland designation: the presence of mangroves. In order to qualify, the body of water must also be in a flood zone, and there must be a change of soils. This was not the case here.

Mr. Delisio reminded the Board that when they asked Broward County for the permit, they were informed it was not required. The City had pulled one anyway, so there would be no questions when the contractor worked there.

Motion made by Mr. Portela, seconded by Mr. Calloway, to send the Board's letter to the City Commission. Board unanimously approved.

3. New Business

A. Bank of America Trust Fund Presentation (Discussion)

[This item was taken out of order]

Mr. Miller stated the market was hitting all-time highs again recently and the economy still showed a lot of strength. He noted that in the war economy, the federal government was spending \$300 to \$500 billion per year.

Mr. Miller felt there would be a slowdown over the course of the year, but not enough to lead to a recession. He drew the Board's attention to tab three, and said they were currently at 44% stock, while their objective was to be 40%. In order to generate more income, they had weighted a 60% bond allocation. Mr.

Miller said he would be taking the additional 4% off the table and keeping the stock level at 35% - 40%.

Mr. Miller reminded the Board that they had shifted out of small cap stocks last year and into large cap, thinking this would be safer. Mr. Miller stated there was now \$8.5 million in the bond portion of the account, approximately 52%. He said he would soon shift more money into bonds, which would generate another \$50,000 income to add to the \$632,000.

Mr. Miller said at the beginning of the year, the account was at \$16.04 million total value; they were now at \$16.46 million. Activity for the year included \$190,094 in additions, and \$235,997 in withdrawals for an investment gain of \$464,023 for the first four months of the year.

Mr. Miller explained that their average yield was approximately 3.84%; he hoped that by moving more money over, he could increase the yield to 4%, which he considered ideal.

Mr. Miller informed the Board that the preferred stock, worth \$1.2 million, acted like a fixed-income instrument. They had purchased this because it had a 6.8% income. Mr. Miller felt interest rates would come down a bit by year's end; this was why he had moved money to bonds.

Mr. Miller drew the Board's attention to the page showing the account's return after fees since 1999. So far this year, the return was approximately 2%, leading to the \$464,000 gains. Their stocks were up 3.3%; the reason they trailed the S&P was that they had reduced their mid and small caps.

Mr. Delisio reminded the Board that in 1993, when the City turned the trust fund over to the private contractor, it was worth approximately \$7 million. He remarked on the significant advancements and improvements.

**B. Maintenance Reimbursement Jan – Mar 2007
(Discussion/Motion)**

Mr. Delisio noted some grass areas were beginning to show the results of the drought, but said they were working with Tru-Chem to utilize a program to strengthen the root structure to be more drought-resistant. A representative would attend the July meeting to explain this program to the Board.

Ms. Platt asked about marker repair work being done at Lauderdale Memorial. Mr. Delisio said they were now seeking to replace broken granite before being notified by customers. They were currently replacing all broken granite in an entire section of six at Sunset, and re-leveling and realigning the markers.

Mr. Delisio said they had also replaced all of the vases that were stolen. This had been paid through the Houston office of the Cemetery Contractor. Mr. Delisio said the Police had been made aware of the theft, and had visited the local scrap dealers to caution them about accepting large collections of vases like this. Mr. Giordano said the new granite vases had locking screws with chains to prevent theft.

Motion made by Ms. Platt, seconded by Mr. Portela, to pay the maintenance reimbursement. Board unanimously approved.

C. Election of Chair and Vice Chair (Nominations/Motion)

This item was deferred until the entire Board was present.

Mr. Delisio announced that the Better Meetings Academy had been rescheduled to Wednesday, June 6 at 5:45 p.m.

Mr. Delisio said the grand opening at Sunset was being handled by the Public Information Office and would probably take place after Memorial Day.

Mr. Delisio announced that the Pentagon had authorized a flyover for Memorial Day.

4. Adjournment

The Board's next meeting was scheduled for July 12, 2007.

There being no further business to discuss, the meeting was adjourned at 4:34 p.m.